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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, March 24, 1999

JOINT PETITION OF

CASE NO. PUA990002

HYPERION TELECOMMUNICATIONS OF VIRGINIA, INC., CONTINENTAL TELECOMMUNICATIONS CORPORATION OF VIRGINIA, AND MEDIAONE OF VIRGINIA

For approval to merge into and transfer assets, including partnership interests, to Hyperion Communications of Virginia, LLC

ORDER GRANTING APPROVAL

Hyperion Telecommunications of Virginia, Inc. ("HTVA"), Continental Telecommunications Corporation of Virginia ("Continental"), and MediaOne of Virginia ("MediaOne"), collectively referred to as "Joint Petitioners," filed a Joint Petition with the Commission under the Utility Transfers Act for approval to transfer assets and partnership interests, and merge into, Hyperion Communications of Virginia, LLC ("Hyperion Virginia"). The Commission issued its Order for Notice and Comments and Requests for Hearing. No comments or requests for hearing were filed with the Commission. Joint Petitioners filed the required proof of notice. After several Staff inquiries regarding the Joint Petition, Joint Petitioners filed a revised Joint Petition.

As stated in the Joint Petition, HTVA is a wholly owned subsidiary of Hyperion Telecommunications, Inc. ("HTI"). As further stated, HTI operates competitive local exchange networks in twenty geographic markets, serving forty-six cities with approximately 5,463 route miles of fiber optic cable. HTVA currently is certificated to provide local exchange and interexchange telecommunications services throughout Virginia. A newly-formed Virginia public service limited liability company, Hyperion Virginia, is wholly owned by HTI and was granted a certificate by the Commission to provide local and interexchange telecommunications services on February 18, 1999, in Case No. PUC980156. Continental is an indirect wholly owned subsidiary of MediaOne of Colorado, Inc. MediaOne is a Virginia general partnership, thirty-seven per cent of which is owned by HTVA and sixty-three per cent of which is owned by Continental.

In the Joint Petition, Joint Petitioners seek approval of a transfer of assets and partnership interests to, and merger into, Hyperion Virginia. The specific transactions for which approval is requested are as follows:

- Joint Petitioners seek approval to transfer to HTVA from Continental,
 Continental's partnership interests in MediaOne. HTVA would then own one
 hundred per cent interest in MediaOne, and MediaOne would cease to exist.
- 2) HTVA seeks approval to transfer to Hyperion Virginia from HTVA one hundred per cent of HTVA's assets, including the interest in the assets of MediaOne to Hyperion Virginia.
- 3) HTVA requests approval to transfer its interest in two partnerships, !nterprise-Hyperion of Virginia Data Communications ("!nterprise-Hyperion") and

!nterprise-MediaOne of Virginia Data Communications ("!nterprise-MediaOne") to Hyperion Virginia.

As a result of these transfers, Hyperion Virginia would own all of HTVA's assets, including MediaOne and the two additional partnerships, !nterprise-Hyperion and !nterprise-MediaOne. HTI established Hyperion Virginia, for internal reorganization purposes, to operate the existing HTVA and MediaOne networks in the Virginia area and share in the business of !nterprise-Hyperion and !nterprise-MediaOne. As part of the reorganization, HTVA will transfer its assets used to provide telecommunications services in Virginia to Hyperion Virginia. As a result of the transfers, Hyperion Virginia will operate the Virginia networks and will provide all telecommunications services that HTVA and MediaOne currently provide in Virginia. HTVA and MediaOne then will surrender their certificates. Joint Petitioners represent that the requested transfers will not affect end-user services and, except for a change in name of the provider, will be transparent to customers.

Joint Petitioners represent that the proposed transfers will neither disrupt service nor cause inconvenience or confusion to HTVA's or MediaOne's customers since Hyperion Virginia will continue to provide high quality, affordable service to customers and will provide for the seamless transfer of such services. Joint Petitioners further represent that Hyperion Virginia, like HTVA and MediaOne, will rely on the technical, financial, and managerial resources of HTI in providing telecommunications services.

THE COMMISSION, upon consideration of the Joint Petition and representation of Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described merger and transfer of assets will neither impair nor jeopardize the provision of

adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

- 1) Pursuant to §§56-88.1 and 56-90 of the Code of Virginia, Joint Petitioners are granted authority to merge and transfer assets, including partnership interests, as described herein.
- 2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.